



Department of Justice

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AT
(202) 616-2771
TDD (202) 514-1888

SIX COMPANIES PLEAD GUILTY TO PRICE FIXING IN EXPLOSIVES INDUSTRY, PAY \$900,000 IN FINES

To Date More than \$29 Million in Criminal Fines Assessed

WASHINGTON, D.C. -- Six distributors of commercial explosives--one in Ohio and five in Pennsylvania--pleaded guilty today and agreed to pay more than \$900,000 in criminal antitrust fines for conspiring to fix prices and rig bids in the sale of commercial explosives, the Justice Department announced.

Today's pleas are the result of the Justice Department's ongoing criminal antitrust investigation of collusion in the commercial explosives industry. To date, the investigation has resulted in a total of 11 guilty pleas by 10 corporations and one individual, and a record \$29 million in criminal fines.

U.S. District Court Judge Donald Lee of Pittsburgh imposed the following penalties on:

- Amos L. Dolby Co., Corsica, Pennsylvania, \$90,000.
- Douglas Explosives Inc., Philipsburg, Pennsylvania, \$70,000.
- D.C. Guelich Explosive Co., Clearfield, Pennsylvania, \$200,000.
- Hilltop Energy Inc., Lisbon, Ohio, \$330,000.
- Kesco Inc., Butler, Pennsylvania, \$100,000.
- Ren-Loi Inc., Cuddy, Pennsylvania, \$112,000.

Hilltop Energy and Ren-Loi pleaded guilty to rigging bids by agreeing on which company would be the successful bidder in selling commercial explosives to RTG Inc. of Byesville, Ohio. The conspiracy took place in the summer of 1993.

Kesco and Douglas Explosives pleaded guilty to fixing the prices of blasting caps to C & K Coal Co. of Clarion, Pennsylvania. The conspiracy began in mid-1993 and continued through early 1996.

D.C. Guelich Explosive Co. pleaded guilty to fixing prices on the sale of commercial explosives to the Whelpley Job of Hepburnia Coal Co. of Snyder Township, Pennsylvania. The conspiracy began in mid-1990 and continued through early 1992.

Amos L. Dolby Co. pleaded guilty to fixing prices on the sale of commercial explosives to L & J Energy Co. Inc. of Barnesboro, Pennsylvania. The conspiracy began in 1989 and continued through 1993.

"The Antitrust Division will be vigilant and vigorous in breaking up price fixing and bid rigging conspiracies no matter if it is at the manufacturing or distributing levels of an industry," said Anne K. Bingaman, Assistant Attorney General in charge of the Department's Antitrust Division.

Commercial explosives such as dynamite and ANFO (ammonium nitrate mixed with fuel oil) are used primarily in the mining, construction and oil and gas exploration industries. Sales in the commercial explosives industry are about \$1 billion a year in the United States.

The six cases were investigated by the Antitrust Division's Litigation I Section.

Beginning in August of 1995, an investigation in Dallas netted guilty pleas from three major explosives manufacturers--ICI Explosives USA, which agreed to pay a \$10 million fine; DYNNO NOBEL, which agreed to pay a \$15 million fine; and ETI, which agreed to pay a \$950,000 fine.

The maximum penalty for a corporation convicted of an antitrust violation under the Sherman Act is a fine of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss suffered by the victims of the crime, whichever is greater.

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